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SUBJECT: HUNGARY--2009 TIP REPORT: PRESS GUIDANCE AND
DEMARCHE

REF: A. 2009 STATE 59732
[1](#)B. 2009 STATE 5577

[1](#)1. This is an action cable; see paras 5 through 7 and 10.

[1](#)2. On June 16, 2009, at 10:00 a.m. EDT, the Secretary will release the 2009 Trafficking in Persons (TIP) Report at a press conference in the Department's press briefing room. This release will receive substantial coverage in domestic and foreign news outlets. Until the time of the Secretary's June 16 press conference, any public release of the Report or country narratives contained therein is prohibited.

[1](#)3. The Department is hereby providing Post with advance press guidance to be used on June 16 or thereafter. Also provided is demarche language to be used in informing the Government of Hungary of its tier ranking and the TIP Report's imminent release. The text of the TIP Report country narrative is provided, both for use in informing the Government of Hungary and in any local media release by Post's public affairs section on June 16 or thereafter. Drawing on information provided below in paras 8 and 9, Post may provide the host government with the text of the TIP Report narrative no earlier than 1200 noon local time Monday June 15 for WHA, AF, EUR, and NEA countries and OOB local time Tuesday June 16 for SCA and EAP posts. Please note, however, that any public release of the Report's information should not precede the Secretary's release at 10:00 am EDT on June 16.

[1](#)4. The entire TIP Report will be available on-line at www.state.gov/g/tip shortly after the Secretary's June 16 release. Hard copies of the Report will be pouched to posts in all countries appearing on the Report. The Secretary's statement at the June 16 press event, and the statement of and fielding of media questions by G/TIP's Director and Senior Advisor to the Secretary, Ambassador-at-Large Luis CdeBaca, will be available on the Department's website shortly after the June 16 event. Ambassador de Baca will also hold a general briefing for officials of foreign embassies in Washington DC on June 17 at 3:30 pm EDT.

[1](#)5. Action Request: No earlier than 12 noon local time on Monday June 15 for WHA, AF, EUR, and NEA posts and OOB local time on Tuesday June 16 for SCA and EAP posts, please inform the appropriate official in the Government of Hungary of the June 16 release of the 2009 TIP Report, drawing on the points in para 9 (at Post's discretion) and including the text of the country narrative provided in para 8. For countries where the State Department has lowered the tier ranking, it is particularly important to advise governments prior to the Report being released in Washington on June 16.

[1](#)6. Action Request continued: Please note that, for those countries which will not receive an "action plan" with specific recommendations for improvement, posts should draw host governments' attention to the areas for improvement identified in the 2009 Report, especially highlighted in the "Recommendations" section of the second paragraph of the narrative text. This engagement is important to establishing the framework in which the government's performance will be

judged for the 2010 Report. If posts have questions about which governments will receive an action plan, or how they may follow up on the recommendations in the 2009 Report, please contact G/TIP and the appropriate regional bureau.

¶7. Action Request continued: On June 16, please be prepared to answer media inquiries on the Report's release using the press guidance provided in para 11. If Post wishes, a local press statement may be released on or after 10:30 am EDT June 16, drawing on the press guidance and the text of the TIP Report's country narrative provided in para 8.

¶8. Begin Final Text of Hungary's country narrative in the 2009 TIP Report:

Hungary (TIER 2)

Hungary is a source, transit, and destination country for women trafficked from Romania and Ukraine to and through Hungary to the Netherlands, the United Kingdom, Denmark, Germany, Austria, Italy, Switzerland, France, and the United Arab Emirates for the purpose of commercial sexual exploitation. Experts noted a significant increase in trafficking within the country, mostly women from eastern Hungary trafficked to Budapest and areas along the Austrian border. Roma women and girls who grow up in Hungarian orphanages are highly vulnerable to internal sex trafficking.

The Government of Hungary does not fully comply with the minimum standards for the elimination of trafficking; however, it is making significant efforts to do so. Although Hungary sustained efforts in certain areas to combat trafficking in persons, it did not demonstrate the appreciable progress over the previous year contemplated by the minimum standards in the Trafficking Victims Protection Act. While the government's anti-trafficking hotline referred an increased number of victims for assistance and the police implemented a new trafficking database to help improve victim identification, the government's overall efforts to combat trafficking declined in 2008.

The government did not provide funding to NGOs for victim assistance and protection and caused one NGO to close its trafficking shelter -- one of only two in the country -- when it cancelled the lease for the government-owned building in which the shelter was housed. While the government offered alternative shelter space to the NGO, the location of the proposed facility was too remote to be practical and provide adequate assistance to victims. Hungary conducted no trafficking prevention efforts until the end of the reporting period when it began a three-month campaign focused on demand reduction in March 2009. In April 2008, the government adopted a national strategy, creating a national coordinator to coordinate all anti-trafficking efforts and to create an anti-trafficking national action plan; however, the national coordinator did not have its first meeting until February 2009 and the government appeared to do very little to implement the strategy during the reporting period.

Recommendations for Hungary: Increase funding to NGOs providing victim assistance and protection; continue sensitivity training for patrol officers to ensure proactive victim identification and appropriate, humane treatment of identified victims; increase the number of victims referred by police for assistance; increase the number of trafficking investigations and continue to ensure the majority of convicted traffickers serve some time in prison; conduct campaigns to reduce domestic demand for commercial sex acts; and increase general trafficking awareness efforts by warning vulnerable populations about the dangers of both sex and labor trafficking.

Prosecution

The Hungarian government's law enforcement efforts were mixed during the reporting period. Hungary prohibits all forms of trafficking through Paragraph 175/b of its criminal code, though prosecutors rely on other trafficking-related statutes to prosecute most trafficking cases. Penalties prescribed in Paragraph 175/b range from one to 15 years' imprisonment, which are sufficiently stringent and commensurate with those prescribed for other grave crimes, such as rape. Police and border guards conducted 21 trafficking investigations, a significant drop from 48 investigations in 2007. Authorities prosecuted 18 traffickers in 2008, compared with 20 in 2007. Convictions were obtained against 18 traffickers in 2008*16 for sex trafficking and two for labor trafficking*compared with 17 total convictions in 2007. In 2008, seven of 18 convicted traffickers received suspended sentences and served no time in prison compared to 2007 when only one convicted trafficker received a suspended sentence. During the reporting period, four traffickers were sentenced to up to three years' imprisonment, one trafficker was sentenced to 18 months' imprisonment, one trafficker was sentenced to two years' imprisonment, and five traffickers were sentenced to five to nine years' imprisonment. In 2008, the government provided victim sensitivity and treatment training for 15 judges, as well as victim identification training for crisis hotline operators. In January 2009, Hungarian and French authorities successfully disrupted an international sex trafficking ring and identified as many as 100 victims.

Protection

Hungary significantly decreased its victim assistance efforts during the reporting period. In 2008, the government provided no funding for NGOs providing victim assistance including shelter, medical care, legal assistance, and psychological counseling; in 2007, the government provided \$150,000 for victim assistance. In June 2008, the government cancelled the lease for a government-owned building which housed one of only two trafficking shelters in the country. While the government offered an alternative facility space for the shelter, the location was too remote to adequately assist victims. During the reporting period, 88 trafficking victims were identified and assisted by NGOs, compared to 45 victims assisted in 2007. The government-run trafficking hotline referred 50 victims to NGOs for assistance, up from 37 victims referred for assistance by government officials in 2007. Law enforcement and consular officials identified approximately 26 victims domestically and abroad in 2008. Victims were not penalized for acts committed as a direct result of being trafficked and there were no reported cases of authorities' mistreatment of trafficking victims. The government encouraged victims to assist with trafficking investigations and prosecutions; however, no victims assisted law enforcement during the reporting period. The government offered foreign victims a 30-day reflection period to decide whether to assist law enforcement; however, no victims applied for or received the 30-day temporary residency permits in 2008. Victims may apply for a six-month temporary residency permit if they choose to cooperate with law enforcement; there was no data available on the number of permits granted to trafficking victims during the reporting period.

Prevention

Hungary demonstrated no increased efforts to prevent incidents of human trafficking throughout the year. The government did not conduct any anti-trafficking information or education campaigns during most of the reporting period. The government took limited measures to reduce the demand for commercial sex acts during this reporting period. In March 2009, at the end of the reporting period, the government began a three-month campaign focused on demand reduction. Hungary actively monitored immigration and emigration patterns for evidence of trafficking. During the year, the government provided anti-trafficking training to Hungarian troops prior to their deployment for international

peacekeeping missions.

19. Post may wish to deliver the following points, which offer technical and legal background on the TIP Report process, to the host government as a non-paper with the above TIP Report country narrative:

(begin non-paper)

-- The U.S. Congress, through its passage of the 2000 Trafficking Victims Protection Act, as amended (TVPA), requires the Secretary of State to submit an annual Report to Congress. The goal of this Report is to stimulate action and create partnerships around the world in the fight against modern-day slavery. The USG approach to combating human trafficking follows the TVPA and the standards set forth in the Protocol to Prevent, Suppress and Punish Trafficking in Persons, Especially Women and Children, supplementing the United Nations Convention against Transnational Organized Crime (commonly known as the "Palermo Protocol"). The TVPA and the Palermo Protocol recognize that this is a crime in which the victims' labor or services (including in the "sex industry") are obtained or maintained through force, fraud, or coercion, whether overt or through psychological manipulation. While much attention has focused on international flows, both the TVPA and the Palermo Protocol focus on the exploitation of the victim, and do not require a showing that the victim was moved.

-- Recent amendments to the TVPA removed the requirement that only countries with a "significant number" of trafficking victims be included in the Report. Beginning with the 2009 TIP Report, countries determined to be a country of origin, transit, or destination for victims of severe forms of trafficking are included in the Report and assigned to one of three tiers. Countries assessed as meeting the "minimum standards for the elimination of severe forms of trafficking" set forth in the TVPA are classified as Tier 1. Countries assessed as not fully complying with the minimum standards, but making significant efforts to meet those minimum standards are classified as Tier 2. Countries assessed as neither complying with the minimum standards nor making significant efforts to do so are classified as Tier 3.

-- The TVPA also requires the Secretary of State to provide a "Special Watch List" to Congress later in the year. Anti-trafficking efforts of the countries on this list are to be evaluated again in an Interim Assessment that the Secretary of State must provide to Congress by February 1 of each year. Countries are included on the "Special Watch List" if they move up in "tier" rankings in the annual TIP Report -- from 3 to 2 or from 2 to 1 -- or if they have been placed on the Tier 2 Watch List.

-- Tier 2 Watch List consists of Tier 2 countries determined: (1) not to have made "increasing efforts" to combat human trafficking over the past year; (2) to be making significant efforts based on commitments of anti-trafficking reforms over the next year, or (3) to have a very significant number of trafficking victims or a significantly increasing victim population. As indicated in reftel B, the TVPRA of 2008 contains a provision requiring that a country that has been included on Tier 2 Watch List for two consecutive years after the date of enactment of the TVPRA of 2008 be ranked as Tier 13. Thus, any automatic downgrade to Tier 3 pursuant to this provision would take place, at the earliest, in the 2011 TIP Report (i.e., a country would have to be ranked Tier 2 Watch List in the 2009 and 2010 Reports before being subject to Tier 3 in the 2011 Report). The new law allows for a waiver of this provision for up to two additional years upon a determination by the President that the country has developed and devoted sufficient resources to a written plan to make significant efforts to bring itself into compliance with the minimum standards.

-- Countries classified as Tier 3 may be subject to statutory

restrictions for the subsequent fiscal year on non-humanitarian and non-trade-related foreign assistance and, in some circumstances, withholding of funding for participation by government officials or employees in educational and cultural exchange programs. In addition, the President could instruct the U.S. executive directors to international financial institutions to oppose loans or other utilization of funds (other than for humanitarian, trade-related or certain types of development assistance) with respect to countries on Tier 3. Countries classified as Tier 3 that take strong action within 90 days of the Report's release to show significant efforts against trafficking in persons, and thereby warrant a reassessment of their Tier classification, would avoid such sanctions. Guidelines for such actions are in the DOS-crafted action plans to be shared by Posts with host governments.

-- The 2009 TIP Report, issuing as it does in the midst of the global financial crisis, highlights high levels of trafficking for forced labor in many parts of the world and systemic contributing factors to this phenomenon: fraudulent recruitment practices and excessive recruiting fees in workers' home countries; the lack of adequate labor protections in both sending and receiving countries; and the flawed design of some destination countries' "sponsorship systems" that do not give foreign workers adequate legal recourse when faced with conditions of forced labor. As the May 2009 ILO Global Report on Forced Labor concluded, forced labor victims suffer approximately \$20 billion in losses, and traffickers' profits are estimated at \$31 billion. The current global financial crisis threatens to increase the number of victims of forced labor and increase the associated "cost of coercion."

-- The text of the TVPA and amendments can be found on website www.state.gov/g/tip.

-- On June 16, 2009, the Secretary of State will release the ninth annual TIP Report in a public event at the State Department. We are providing you an advance copy of your country's narrative in that report. Please keep this information embargoed until 10:00 am Washington DC time June 16. The State Department will also hold a general briefing for officials of foreign embassies in Washington DC on June 17 at 3:30 pm EDT.

(end non-paper)

¶10. Posts should make sure that the relevant country narrative is readily available on or through the Mission's web page in English and appropriate local language(s) as soon as possible after the TIP Report is released. Funding for translation costs will be handled as it was for the Human Rights Report. Posts needing financial assistance for translation costs should contact their regional bureau's EX office.

¶11. The following is press guidance provided for Post to use with local media.

Q1: Why was Hungary downgraded to Tier 2?

A: Although Hungary sustained efforts in certain areas to combat trafficking in persons, it did not demonstrate the appreciable progress over the previous year contemplated by the minimum standards in the Trafficking Victims Protection Act. The government did not provide funding to NGOs for victim assistance and protection and caused one NGO to close its trafficking shelter-- one of only two in the country-- when it cancelled the lease for the government-owned building in which the shelter was housed. While the government offered alternative shelter space to the NGO, the location of the proposed facility was too remote to be practical and provide adequate assistance to victims. Hungary conducted no trafficking prevention efforts until the end of the reporting period when it began a three-month campaign focused on demand reduction in March 2009. In April 2008, the government adopted a national strategy, creating a national coordinator

to coordinate all anti-trafficking efforts; however, the government appeared to do very little to implement the strategy during the reporting period.

Q2: What progress has Hungary made in the past year?

A: The government's anti-trafficking hotline referred an increased number of victims for assistance and the police implemented a new trafficking database to help improve victim identification. The government also provided victim sensitivity and treatment training for 15 judges, as well as victim identification training for crisis hotline operators. In January 2009, Hungarian and French authorities successfully disrupted an international sex trafficking ring and identified as many as 100 victims.

Q3: What can Hungary do to improve its fight against trafficking in persons?

A: To improve its anti-trafficking performance, the Hungarian government should: increase funding to NGOs providing victim assistance and protection; continue sensitivity training for patrol officers to ensure proactive victim identification; and increase general trafficking awareness efforts by warning vulnerable populations about the dangers of both sex and labor trafficking.

112. The Department appreciates posts' assistance with the preceding action requests.
CLINTON